

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
STR-07 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02 OMB-01
DOE-11 AF-10 ARA-10 EA-10 NEA-10 IO-13 /157 W
-----021991 172113Z /63

R 170803Z MAR 78
FM AMEMBASSY OSLO
TO SECSTATE WASHDC 5452
INFO AMEMBASSY COPENHAGEN
AMEMBASSY STOCKHOLM

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E.O. 11652: N/A
TAGS: ETRD, NO
SUBJECT: TESTIMONY FOR HEARING ON QUOTE BUY AMERICA UNQUOTE BILL

REF: A) STATE 061254, B) OSLO 1041

1. DESPITE TRADITIONAL NORWEGIAN SUPPORT FOR FREE TRADE POLICIES, GROWING GON CONCERN OVER UNEMPLOYMENT AND UNDERUTILIZED MANUFACTURING FACILITIES IS SUCH THAT US IMPOSITION OF QUOTE BUY AMERICAN UNQUOTE RESTRICTIONS COULD TRIGGER SIMILAR ACTION BY GON. PRESSURE ON OFFSHORE OIL INDUSTRY TO EMPLOY NORWEGIAN PRODUCTS AND SERVICES IS ALREADY GREAT (REF B). GON QUOTE BUY NORWEGIAN UNQUOTE ACTION WOULD OBVIOUSLY ADD TO PROTECTIONIST SENTIMENT ELSEWHERE ABROAD, AND WOULD HARM AMERICAN EXPORTS TO NORWAY.

2. MINISTRY OF DEFENSE IS IMPORTANT GON PURCHASER OF AMERICAN PRODUCTS, WITH \$89 MILLION IN PURCHASES DELIVERED, MOSTLY SINCE 1974, AND \$1,250 MILLION IN UNDELIVERED PURCHASES. THESE INCLUDE PURCHASES FOR F-16 AIRCRAFT CO-PRODUCTION PROGRAM.

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3. TELECOMMUNICATIONS AUTHORITY IS ANOTHER IMPORTANT GON BUYER OF US PRODUCTS IN FIELD WHERE NATIONAL BUYING POLICY COULD SERIOUSLY CURTAIL IMPORTS. AMERICAN COMPANIES SOLD SEVERAL HUNDRED THOUSAND DOLLARS WORTH OF EQUIPMENT TO AUTHORITY IN RECENT MONTHS, AND CONTRACT TO BE AWARDED SOON FOR SATELLITE COMMUNICATIONS EQUIPMENT IS EXPECTED TO MEAN A \$700,000 SALE FOR TWO US FIRMS. CONTINUING SALES ARE EXPECTED AS AUTHORITY

INCREASES CAPACITY OF NORWAY'S DATA COMMUNICATIONS AND TELEPHONE SYSTEM.

4. EMBASSY MARKET SURVEYS FOR COMPUTERS AND BUSINESS EQUIPMENT GIVE FOLLOWING ESTIMATES OF GOVERNMENT AGENCY EXPENDITURES (IN MILLIONS) ON (A) IMPORTS FROM US, (B) IMPORTS FROM US COMPANIES ABROAD.

COMPUTERS AND PERIPHERAL EQUIPMENT:

(A) 1975: \$3.6 1980: \$8.7

(B) 1975: \$2.9 1980: \$1.8

BUSINESS EQUIPMENT (EXCLUDING COMPUTERS):

(A) 1974: \$1.5 1979: \$5.4

(B) 1974: \$3.5 1979: \$4.6

5. SOME STATE-CONTROLLED CORPORATIONS ARE ALSO IMPORTANT BUYERS OF US PRODUCTS. RECENT EXAMPLES FROM EXPORT-IMPORT BANK REPORTS:

-DRILL FOR NORSK JERNVERK: \$600,000

-MINING EQUIPMENT FOR A/S SYDVARANGER: \$3.7 MILLION

OTHER EXAMPLES:

-GRAIN FOR STATE PURCHASING AGENCY, 1977: \$24.5 MILLION

-COAL FOR STATE COKING PLANT, 1977: \$38 MILLION

6. STATOIL, WHOLLY-OWNED GOVERNMENT CORPORATION FOR NORTH SEA OIL FIELD DEVELOPMENT AND PRODUCTION, ANNUALLY BUYS MILLIONS OF DOLLARS WORTH OF US PRODUCTS AND OF US SERVICES SUCH AS LIMITED OFFICIAL USE

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ENGINEERING, EXPLORATION, DIVING, WORKBOATS, ETC. STATOIL IS ESPECIALLY SENSITIVE TO QUOTE BUY NORWEGIAN UNQUOTE PRESSURE DESCRIBED IN REF B.
LERNER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LOBBYING, TRADE, COMMODITIES, GOVERNMENT REACTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978OSLO01296
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780119-1087
Format: TEL
From: OSLO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780355/aaaabtxc.tel
Line Count: 98
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 788b17c5-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 61254, 78 OSLO 1041
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3291089
Secure: OPEN
Status: NATIVE
Subject: TESTIMONY FOR HEARING ON QUOTE BUY AMERICA UNQUOTE BILL
TAGS: ETRD, NO, US
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/788b17c5-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014